

27 June 2024

Adams Plc
("Adams" or the "Company")

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Adams Plc presents its annual report and audited financial results for the year ended 31 March 2024

Highlights:

- Net assets at 31 March 2024 of £4.98 million (2023: £5.11 million).
- Net assets per share 3.42 pence at 31 March 2024 based on 145.9 million shares in issue (2023: 3.50 pence).
- Loss after tax of £0.13 million (2023: loss £2.37 million).
- Investments at 31 March 2023 valued at £4.93 million (2023: £5.10 million).
- Spend on new investments of £0.21 million (2023: £1.22 million).
- Proceeds from investment realisations £0.39 million (2023: £0.56 million).
- Cash at 31 March 2024 of £0.09 million (2023: £0.05 million).
- No part of the £3.00 million shareholder loan facility drawn down to date.

Michael Bretherton, Chairman, said:

"Elevated trade tensions with China, the ongoing Russia-Ukraine war and conflicts in the Middle East all point to continued uncertainties and risks going forward. In addition, many governments continue to face mounting fiscal challenges from rising debt service costs and sizeable additional spending pressures from ageing populations, climate change mitigation and increased defence spending in the face of growing geopolitical discord.

In view of the above risks and uncertainties, your Board will continue to maintain a rigorous and highly selective investment approach, coupled with strict cost control with a view to delivering additional value for shareholders going forward. We remain confident in the underlying fundamentals, technologies and long-term potential for growth at the companies within our investment portfolio."

The Company's 2024 Annual Report will shortly be posted to shareholders together with a Notice of Annual General Meeting, copies of which will be made available on the Company's website at www.adamsplc.co.uk under the *Investor Relations / Company & Shareholder Documents* section. The Annual General Meeting is to be held at 11.30 a.m. on Friday 13 September 2024 at the Company's registered office at 55 Athol Street, Douglas, Isle of Man, IM1 1LA.

This announcement contains inside information as defined in Article 7 of the Market Abuse Regulation No. 596/2014 ("MAR") as retained as part of UK law by virtue of the European Union (Withdrawal) Act 2018 as amended.

Enquiries:

Adams Plc Michael Bretherton Tel: +44 1534 719 761

Nomad Cairn Financial Advisers LLP. Sandy Jamieson, James Caithie Tel: +44 207 213 0880

Broker Peterhouse Capital Limited. Heena Karani, Martin Lampshire Tel: +44 [207 469 0930](tel:2074690930)

Chairman's Statement

Adams generated a net loss of £0.13 million for the year ended 31 March 2024 compared to a loss of £2.37 million in the previous year ended 31 March 2023.

That loss for the year of £0.13 million comprises a net investment profit return of £0.07 million, less administrative costs of £0.20 million. The comparative 2023 year loss of £2.37 million included a net investment loss of £2.19 million, together with administrative costs of £0.18 million.

During the year, the Company spent £0.21 million on a new quoted equity investment in NCC Group Plc and realised disposal proceeds of £0.39 million on the sale of its Afrenta Plc and Tremor International Ltd investments in full, together with a partial sale of its Seeing Machines Ltd and Niox Group Plc investment holdings.

The carrying value of the Company's equity investments at 31 March 2024 was £4.93 million represented by eight quoted investment holdings and three private investments (31 March 2023: £5.10 million represented by nine quoted investment holdings and three private investments). In addition, Adams holds a derivative investment asset in the form of warrants in C4X Holdings Plc which have an exercise price that is significantly above the market price of the underlying shares and the warrants are therefore considered to have a nil fair value.

The Company held cash balances of £0.09 million as at 31 March 2024, compared to cash balances of £0.05 million at the previous 31 March 2023 year end.

Net assets decreased to £4.98 million (equivalent to 3.42p per share) at the 31 March 2024 balance sheet date, compared with £5.11 million (equivalent to 3.50p per share) at 31 March 2023. The £0.13 million reduction in net assets reflects the loss reported for the year.

Business model and investing policy

Adams is an investing company with an investing policy under which the Board is seeking to acquire interests in special situation investment opportunities that have an element of distress, dislocation, dysfunction or other special situation attributes and that the Board perceives to be undervalued. The principal focus is in the small to middle-market capitalisation sectors in the UK or Europe, but the Directors will also consider possible special situation opportunities anywhere in the world if they believe there is an opportunity to generate added value for shareholders.

Investment Portfolio

The principal listed investments held by the Company at 31 March 2024 (each representing at least 5% of the net asset value of the Company at that date) comprised **Niox Group Plc** ("Niox"), **Seeing Machines Limited** ("Seeing Machines"), **Griffin Mining Limited** ("Griffin"), **Pulsar Group Plc** (formerly called Access Intelligence) ("Pulsar"), **NCC Group Plc** ("NCC") and **C4X Discovery Holdings Plc** ("C4XD"). C4XD subsequently delisted from AIM on 25 April 2024 and is now held by Adams as a principal unquoted investment. Adams also holds **Oxehealth Limited** ("Oxehealth") and **Telit Cinteron Ltd** ("Telit") as principal unquoted investments.

Niox is an AIM listed global medical device company focused on point of care asthma diagnosis and management. Niox is a debt-free business with a strong NIOX® asthma management products-based business. The company is continuing its growth as a distributor-led business implementing access to a large and underserved population of patients suffering from asthma. All three of its key geographic areas of Asia Pacific, EU and USA generated profitable growth in the 2023 year. Niox is also making good progress in expanding sales into the UK primary care sector and where the NHS is supporting the use of FeNO testing using NIOX devices. For the year ended 31 December 2023, NIOX sales increased 18% to £36.8 million and generated an EBITDA profit of £11.4 million. The company had net cash balances of £19.9 million at the year-end, reflecting £11.6 million of operating cash flow generation in the year, plus a further \$3.5 million received from Beyond Air under the settlement agreement following FDA approval for its LungFit PH device, partially offset by a special dividend of £10.5 million paid to shareholders in September 2023. During 2024, management's focus will be on growing revenues in the USA, expanding into new healthcare professional channels and developing a product for home-use. The shareholding of Adams at 31 March 2024 was, and continues to be, 0.35 per cent. of the Niox shares in issue.

Seeing Machines is an AIM listed industry leader in advanced computer vision technologies. The company designs Artificial Intelligence / AI powered operator monitoring systems using camera-based optics and embedded processing to improve transport safety in automotive, commercial fleet, aviation, rail and off-road markets. The technology incorporates warnings when human state attention impairment is identified, in order to re-engage the operator or driver. Seeing Machines continues to invest in R&D and grow as an automotive leader in such technology having now won contracts with a total of 11 automotive Tier 1 global customers covering 17 automotive driver monitoring safety ("DMS") programmes with a combined initial lifetime value of \$366 million and with the majority of that revenue expected by 2028. At 31 December 2023, Seeing Machines' technology was installed in over 1.5 million vehicles globally representing an increase of 116% over the previous 12 months. Seeing Machines is also undertaking a programme with Collins Aerospace to jointly develop pioneering eye-tracking solutions for the Aviation industry. Seeing Machines reported underlying revenue growth of 28% during the half year to 31 December 2023 (excluding one-off licence payments from Magna International in the prior period as part of its investment and exclusivity collaboration agreement signed in October 2022), to give 6-month revenues of \$25.7 million and a loss for the period of \$19.8 million. Seeing Machines' cash balances at 31 December 2023 amounted to \$22.2 million. The shareholding of Adams in Seeing Machines as at 31 March 2024 was, and continues to be, 0.31 per cent. of the Seeing Machines shares in issue.

Griffin, is an AIM listed mining and investment company that has been the leader in foreign investment in mining in China having been engaged in developing the Caijiaying zinc and gold project since 1997. In January 2021, Griffin announced a major achievement in finally securing a significant new Zone II mining license from the Chinese Ministry of Land and Natural Resources which elevates Griffin to being one of the largest zinc producers in China. The year to 31 December 2023 witnessed overwhelmingly positive performance and generated record revenues of US\$146.0 million (up by 54.7%) and with profits after tax of US\$15.2 million (up by 97.8%). Cash balances amounted to US\$60.0 million at the 31 December 2023 year end. The results benefited from record amounts of ore mined and processed, together with lower smelter treatment charges and increased gold prices. These results do not yet include any ore being delivered from the new Zone II mining licence, which mine remains under full speed development and construction and ore extraction from this is on schedule for the Q1 of 2025. Given the severely undervalued nature of the company's share price, the Griffin directors announced a share buy-back programme which was commenced in September 2023 but mainly took place in Q1 of 2024 and on 15 March 2024 a total of 10.3 million shares purchased under that programme were cancelled. The shareholding of Adams in Griffin as at 31 March 2024 was, and continues to be, 0.26 per cent. of the Griffin shares in issue.

Pulsar is an AIM listed London based technology innovator delivering Artificial Intelligence / AI Software-as-a-Service solutions for the global marketing and communications industries. The company combines AI technologies with human expertise to analyse data and provide strategic insights as a single, real-time view of what is important. It is supported by partnerships with the world's largest data providers and social media platforms including X (formerly Twitter), Reddit and Twitch. For the year ended 30 November 2023, Pulsar reported revenues of £62.4 million (with annual recurring revenue "ARR" comprising 95% of the total) and delivered an EBITDA loss of £2.8 million and a loss after tax of £7.9 million. The results include a further £9.0 million of non-recurring restructuring costs associated with the integration of Isentia Group which had been acquired in September 2021. The results also reflect the challenges of a difficult macro-economic environment during which Pulsar has focused its efforts on refining the group's operating model and next generation Alsolutions platform to improve EBITDA margins and free cash flow generation, alongside continued ARR growth in the EMEA, APAC & North American market to drive global expansion. ARR growth is reported to have accelerated in all 3 regions during the first four months of 2024. Cash balances at 30 November 2023 amounted to £2.2 million. Since that period end, Pulsar has put in place a £3 million debt facility and a £3 million overdraft facility and at 31 March 2024, Pulsar's net debt position was £1.25 million. The shareholding of Adams in Pulsar as at 31 March 2024 was, and continues to be, 0.52 per cent. of the Pulsar voting shares in issue.

NCC is an [FTSE All-Share](#) listed global tech-enabled cyber and software resilience business operating across multiple sectors, geographies and technologies. The company advises global technology, manufacturers, financial institutions, critical national infrastructure providers, retailers and governments on the best way to keep businesses, software and personal data safe and provides solutions to manage all manner of cyber threats. The last 12 months has seen the company transitioning from a business operating internationally to becoming a truly global organisation and which has included the recent opening of its new office in Manila, the Philippines, alongside the creation of further universal processes within its technology platform. For the 6-month half year ended 30 November 2023, NCC generated revenues of £159.2 million and an adjusted EBITDA profit of £15.6 million. Looking ahead, A recent trading update by the company has reported that revenues for the 12 months to 31 May 2024 are expected to be £324.0 million. NCC is well placed for sustainable long-term growth as cyber security is now an essential component of digital risk

management across an increasingly connected society. The shareholding of Adams in NCC as at 31 March 2024 was, and continues to be, 0.06 per cent. of the NCC shares in issue.

C4XD is a private pioneering drug discovery company combining its enhanced DNA-based target identification and candidate molecule design capabilities to efficiently deliver world-leading medicines which are developed by licensing partners. C4XD has a number of existing partnership deals including a milestone and royalties out-licensing agreement with Sanofi for its IL-17A inhibitor programme worth up to €414 million plus potential for single-digit royalties and also an exclusive licensing agreement with AstraZeneca for its NRF2 activator programme addressing the treatment of inflammatory and respiratory diseases. The AstraZeneca ("AZ") agreement is worth up to \$402 million including pre-clinical milestone payments of up to \$16 million ahead of the first clinical trial, with \$2 million upfront. During the period, Indivior UK Limited agreed to acquire for £15.95 million the proprietary rights to the oral Orexin-1 receptor antagonist partnership programme for the treatment of opioid addiction disorders which Indivior would now take fully in-house. In addition, C4XD has continued to drive other key programmes towards partnering with a near term focus on inflammatory and oncology diseases. C4XD reported a profit after tax of £17.8 million in the six months ending 31 January 2024 inclusive of the £15.95 million sale to Indivior and an £8.7 million (\$11.0 million) milestone due from AZ and with R&D investment costs of £5.2 million. Cash balances at 31 January 2024 amounted to £13.1 million before post period end receipt of the £8.7 million milestone from AZ in February 2024. C4XD subsequently delisted from the AIM market on 25 April 2024 following a board evaluation which concluded that the ability to achieve company's strategic aim and growth prospects will be best accomplished as a private company where it can also potentially access a larger quantum of future development funding. The shareholding of Adams in C4XD at 31 March 2024 was, and continues to be, 1.98 per cent. of the C4XD shares in issue.

Oxehealth is a private company and an industry leader in vision-based patient monitoring and management systems. The company uses proprietary signal processing and computer vision to process normal digital video camera data to measure the vital signs and activity of patients in a number of different markets in the UK, Sweden and more recently also the USA. This is achieved through the deployment of its Oxevision platform which provides customer staff with a wider range of contact-free location and activity-based alerts, reports and vital signs measurements than any other technology, plus the ability to check the patient visually if needed to support on-the-spot decision making. This enables customers to create proactive, data-enabled systems of care that help deliver year on year continuous improvement in safety, quality and efficiency. In May 2024, Oxehealth was also granted FDA and EU regulatory clearances for new mental health sleep monitoring software which represents a major milestone in its ongoing mission to transform inpatient mental health care. In the US, intelligent innovative platforms to support behavioural health are far behind other specialties and Oxehealth is now poised for expansion into that market. In February 2024, Oxehealth welcomed US based Todd Haedrich as Chief Executive Officer. Todd comes with an extensive background in software and healthcare technology, having successfully built and led companies across the US, Europe, and Asia-Pacific. Later that month, Oxehealth announced its first US partnership, with SummitStone Health Partners, the largest not-for-profit behavioural health services provider in Larimer County, Colorado, where the Oxevision contactless, intelligent patient monitoring platform has been successfully implemented at the Longview Campus Acute Care facility in Fort Collins. At 31 March 2024, the investment holding by Adams in Oxehealth represents 2.22 per cent. of Oxehealth's issued share capital at that date but this has subsequently been diluted to 2.07 per cent. as Adams did not participate in an Oxehealth new share issue funding round undertaken in May 2024.

Telit is a private company and a global leader in Internet of Things (IoT) enablement. Telit has over twenty years of experience designing, building, and executing complex digital business. The company has an extensive portfolio of wireless connectivity modules, software platforms and global IoT connectivity services, empowering hundreds of millions of connected 'things' to date, and trusted by thousands of direct and indirect customers, globally. These IoT devices include industrial handhelds, utility meters, industrial and agricultural environmental sensors, health monitors, industrial robots, CNC machines, cameras and many more factory floor devices, as well as wearables and precision mobile trackers. Telit's plug-and-play solutions connect industrial IoT applications with minimal integration effort and its gateways provide host devices with convenient access to the internet via cellular connectivity as well as using IoT Wi-Fi and Bluetooth technology as appropriate for certain market segments, including connected home, wearables, automobiles and smart buildings. Telit's IoT platforms also enable AI and machine learning to be incorporated into customer applications, including visual inspection and object recognition. On 1 January 2023, the company completed a transaction with the global defence, aerospace and security group, Thales, under which it acquired the cellular IoT products business of Thales and thereby expanded Telit's presence in the growing industrial IoT segments and end markets, including payment systems, energy, e-health, and security. It has also enhanced the company's capabilities in the rapidly growing cybersecure IoT solutions market and in particular for critical

industries and infrastructure. At 31 March 2024, the investment holding by Adams in Telit represents 0.35 per cent. of Telit's issued share capital at that date.

In addition to the above investments, at 31 March 2024 Adams held two other quoted holdings, together with one other private company holding. The two quoted holdings comprise **Cirata Plc** which is a data activation company that enables organisations to move large datasets to the cloud at massive scale in order to activate all their data for AI, machine learning and analytics on modern cloud data platforms; and **Euromax Resources Ltd**, which is a Canadian development company listed on the Toronto Stock Exchange and focused on building and operating the Ilovica-Shtuka copper and gold project in Macedonia. The private company holding comprises **Source Bioscience International Ltd**, which is an international provider of state-of-the art laboratory services, clinical diagnostics and analytical testing services.

Outlook

Headline inflation fell rapidly in most economies during 2023, driven down by restrictive monetary policy settings, lower energy prices and continued easing of supply chain pressures. There are signs that the global economic outlook has started to brighten although growth is expected to remain modest during 2024 amid high levels of government debt and with interest rate cuts expected to be incremental and moderate as major central banks balance the final mile of getting inflation back to target rates.

Elevated trade tensions with China, the ongoing Russia-Ukraine war and conflicts in the Middle East all point to continued uncertainties and risks going forward. In addition, many governments continue to face mounting fiscal challenges from rising debt service costs and sizeable additional spending pressures from ageing populations, climate change mitigation and increased defence spending in the face of growing geopolitical discord.

In view of the above risks and uncertainties, your Board will continue to maintain a rigorous and highly selective investment approach, coupled with strict cost control with a view to delivering additional value for shareholders going forward. We remain confident in the underlying fundamentals, technologies and long-term potential for growth at the companies within our investment portfolio.

Michael Bretherton
Chairman

27 June 2024

Investing Policy

The current Investing Policy is:

The Board will seek to acquire a direct and/or indirect interests in special situation investment opportunities that have an element of distress, dislocation, dysfunction or other special situation attributes and that they perceive to be undervalued. The principal focus will be in the small to middle-market capitalisation sectors in the UK or Europe but the Directors will also consider possible special situation opportunities anywhere in the world if they believe there is an opportunity to generate added value for Shareholders.

The Directors intend to identify investment opportunities offering the potential to deliver a favourable return to Shareholders over the medium to long term, primarily in the form of a capital gain. A particular consideration will be to identify businesses which, in the opinion of the Directors, are under-valued due to any of a number of special situations that adversely impact the business's short-term prospects and/or underlying value but which business interests the Directors believe have a solid fundamental core or sound development potential to present opportunities for value creation.

The Company's interest in a potential investment may range from a minority position to 100 per cent. ownership and the interest may be either quoted or unquoted. Investments may be made in shares, or by the acquisition of assets (including intellectual property) of a relevant business, or by entering into partnerships, joint ventures, equity derivatives, contracts for differences or other equity or debt related securities that the Board deem appropriate.

There will be no limit on the number of projects into which the Company may invest, and the Company's financial resources may be invested in a number of propositions or in just one investment, which may be deemed to be a reverse takeover pursuant to Rule 14 of the AIM Rules.

While the Directors intend to take into account the level of existing funds available for investment when assessing the amount of any investment, it is not proposed that there be any maximum investment limit.

The Company may be both an active and a passive investor depending on the nature of the individual investments. Although the Company intends to be a medium to long term investor, there will be no minimum or maximum limit on the length of time that any investment may be held and short-term investments may be made.

The Company will not have a separate investment manager.

The Company may require additional funding as investments are made and new opportunities arise. The Directors may offer new Ordinary Shares by way of consideration, as well as cash, thereby helping to preserve the Company's cash resources. The Company may, in appropriate circumstances, issue debt securities or otherwise borrow money to complete an investment.

Given the nature of the Company's Investing Policy, the Company does not intend to make regular periodic disclosures or calculations of net asset value other than at the time of publication of its half year and annual results.

The Board's principal focus will be on achieving capital growth for Shareholders.

Statement of Comprehensive Income for the year ended 31 March 2024

	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
Dividend income	49	-
Profit/(loss) on investments	18	(2,188)
Investment return/(loss)	67	(2,188)
Expenses and other income		
Administrative expenses	(195)	(182)
Operating loss	(128)	(2,370)
Interest income	1	-
Loss on ordinary activities before taxation	(127)	(2,370)
Tax on loss on ordinary activities	-	-
Loss for the year	(127)	(2,370)
Basic and diluted loss per share	(0.09)p	(1.62)p

Statement of Financial Position at 31 March 2024

	31 March 2024	31 March 2023
	£'000	£'000
Assets		
Non-current assets		
Investments	4,934	5,095
Current assets		
Trade and other receivables	12	11
Cash and cash equivalents	87	47
Current assets	99	58
Total assets	5,033	5,153
Liabilities		
Current liabilities		
Trade and other payables	(50)	(43)
Total liabilities	(50)	(43)
Net current assets	49	15
Net assets	4,983	5,110
Equity		
Share capital	1,459	1,459
Share premium	3,425	3,425
Retained earnings reserve	99	226
Total shareholder equity	4,983	5,110

Statement of Changes in Equity as at 31 March 2024

	Share Capital £'000	Share premium £'000	Retained earnings reserve £'000	Total £'000
At 31 March 2022	1,459	3,425	2,596	7,480
<i>Changes in equity</i>				
Total comprehensive loss	-	-	(2,370)	(2,370)
At 31 March 2023	1,459	3,425	226	5,110
<i>Changes in equity</i>				
Total comprehensive loss	-	-	(127)	(127)
At 31 March 2024	1,459	3,425	99	4,983

Statement of Cash Flows for the year ended 31 March 2024

	Year ended 31 March 2024 £'000	Year ended 31 March 2023 *Restated £'000
Loss for the year	(127)	(2,370)
Unrealised loss on revaluation of portfolio investments	1	2,203
Realised gain on disposal of portfolio investments	(19)	(15)
(Increase)/decrease in trade and other receivables	(1)	1
Increase in trade and other payables	7	18
Net cash outflow from operating activities	(139)	(163)
Cash flows from investing activities		
Purchase of portfolio investments	(211)	(1,216)
Proceeds from sales of investments	390	555
Net cash generated/(used) in investing activities	179	(661)
Net increase/(decrease) in cash and cash equivalents	40	(824)
Cash and cash equivalents at beginning of year	47	871
Cash and cash equivalents at end of year	87	47

Caution regarding forward looking statements

Certain statements in this announcement, are, or may be deemed to be, forward looking statements. Forward looking statements are identified by their use of terms and phrases such as "believe", "could", "should" "envisage", "estimate", "intend", "may", "plan", "potentially", "expect", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These forward-looking statements are not based on historical facts but rather on the Directors' current expectations and assumptions regarding the Company's future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. Such forward looking statements reflect the Directors' current beliefs and assumptions and are based on information currently available to the Directors.